

Message Text

SECRET

PAGE 01 COPENH 04812 221647Z
ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 PM-03 CIAE-00
INR-05 SP-02 MC-01 IGA-01 L-01 OMB-01 PRS-01 EB-03
ACDA-10 TRSE-00 /056 W
----- 094812 /66

R 221055Z DEC 76
FM AMEMBASSY COPENHAGEN
TO SECSTATE WASHDC 3755
USMISSION NATO
INFO SECDEF WASHDC
CSAF WASHDC
AFSC ANDREWS AFB MD

S E C R E T COPENHAGEN 4812

LIMDIS

E.O.: 11652: GDS
TAGS: MILI, MPOL, MORG, MMOL, MASS, DA
SUBJ: DANISH DEFENSE SPENDING AND THE F-16

REF : COPENHAGEN 4754

SUMMARY: IN PREPARATION FOR THE FORMAL PRESENTATION OF THE F-16 LETTER OF OFFER AND ACCEPTANCE, THE DANISH DEFENSE STAFF IS SERIOUSLY STUDYING THE PRICES CONTAINED IN THE DRAFT LETTER OF OFFER NOW IN THEIR POSSESSION. AS THE PRICE OF THE F-16 BECOMES CLEARER, COST-SAVING ALTERNATIVES WITHIN AN ALREADY-THIN DEFENSE BUDGET ARE BEING SOUGHT TO ACCOMMODATE THE F-16 PAYMENT SCHEDULE. SOME OF THESE ALTERNATIVES COULD REDUCE DANISH MILITARY CAPABILITIES. END SUMMARY.

1. IN A VERY OPEN AND HONEST DISCUSSION WITH AMBASSADOR DEAN (REFTEL) CHIEF OF DANISH DEFENSE, GENERAL OTTO BLIXENKRONE-MOLLER, ELABORATED ON WHAT THE F-16 PROGRAM WOULD MEAN TO THE TOTAL DANISH DEFENSE EFFORT. THE GENERAL EXPANDED UPON WHAT
SECRET

SECRET

PAGE 02 COPENH 04812 221647Z

WAS PRESENTLY BEING DONE IN DEFENSE PLANNING TO ACCOMMODATE THE HEAVY F-16 PAYMENT SCHEDULE.

2. GENERAL BLIXENKRONE-MOLLER COMMENTED THAT DENMARK ENTERED THE F-100 AIRCRAFT REPLACEMENT PROGRAM IN THE INTEREST OF NATO STANDARDIZATION/RATIONALIZATION AND BECAUSE HE THOUGHT DENMARK

WAS BUYING THE BEST AIRPLANE AT THE BEST PRICE. HE NOW SENSED THAT THE AIRCRAFT IN FACT WAS COSTING MUCH MORE THAN THE "MOST PROBABLE PRICE" QUOTED IN THE FIVE-COUNTRY MEMORANDUM OF UNDERSTANDING AND THAT THE SUPPORT EQUIPMENT COSTS WERE EXCEEDING THEIR PROGRAMMED 25 PERCENT OF AIRCRAFT PROCUREMENT. THESE TWO FACTORS HAVE CAUSED HIM TO TAKE IMMEDIATE ACTIONS SO THAT MONEY WILL BE AVAILABLE TO PAY FOR THE AIRPLANE.

3. HE STATED THAT THREE C-54 AIRCRAFT WOULD BE PHASED OUT OF THE DANISH INVENTORY FASTER THAN EXPECTED. TWO NAVY FAST PATROL BOATS WOULD ALSO BE DECLARED EXCESS SOONER THAN PLANNED. IN ADDITION, THE DANES WOULD BE FORCED TO RESTUDY THEIR PRESENTLY PLANNED AMMUNITION PROCUREMENT FOR THE ARMY. (COMMENT: EMBASSY IS AWARE OF DANISH PLANS TO CANCEL 105-155 MM HOWITZER PURCHASE FROM U.S. AND LOOK FOR OTHER, CHEAPER EUROPEAN SOURCES.) SUCH A RESTUDY COULD PUT PRESENT DANISH AMMUNITION LEVELS WELL BELOW THE DESIRED 30-DAY SUPPLY REQUIREMENT.

4. THE ARMY WOULD ALSO HAVE TO BE PREPARED FOR DEFERRAL OF A PROGRAMMED PURCHASE OF ARMORED PERSONNEL CARRIERS AND A COMPARATIVELY LARGE WHEELED-VEHICLE REPLACEMENT PROCUREMENT.

5. THE DANISH ARMY HAS ALREADY CANCELLED PLANS TO TRAIN 80 PERCENT OF ITS IMPROVED HAWK PERSONNEL IN THE U.S. THEY HAVE ELECTED INSTEAD TO ACCEPT A RAYTHEON CORP. TRAINING PROGRAM IN DENMARK WITH THE HOPE OF SAVING APPROXIMATELY THREE MILLION KRONER (COPENHAGEN 4424).

6. THE ROYAL DANISH AIR FORCE (RDAF) IS ALSO TAKING DRASTIC STEPS TO REDUCE EXPENDITURES. RECENT INITIATIVES INCLUDE CANCELLATION OF A PLANNED PURCHASE OF ALQ-119 ECM PODS WHICH WERE TO BE USED IN THE RDAF'S NEWLY-ESTABLISHED EW TRAINING FLIGHT. THIS CANCELLATION REPRESENTS A SERIOUS SETBACK FOR THOSE PROponents OF AN ECM CAPABILITY WITHIN THE ROYAL DANISH AIR FORCE. THAT CAPABILITY IS ALSO NON-EXISTENT TODAY. OTHER RELATED ACTIONS BEING STUDIED BY THE RDAF ARE CANCELLATION OR "DEFERRAL" OF MUCH-NEEDED LOW-LEVEL AND APPROACH RADAR PROGRAMS.

SECRET

PAGE 03 COPENH 04812 221647Z

7. ALTHOUGH NOT DIRECTLY RELATED TO THE F-16 PROGRAM, THE RDAF HAS CANCELLED SQUADRON OFFICER SCHOOL ATTENDANCE FOR FY 78 AND COMMAND AND STAFF COLLEGE FOR FY 77. IN OUR OPINION, THE PROFESSIONAL MILITARY EDUCATION CANCELLATIONS REPRESENT MORE OF AN INABILITY TO ADJUST TO THE UNPROGRAMMED INCREASE IN TRAINING COSTS IMPOSED BY THE U.S. LAST YEAR THAN F-16 COSTS. HOWEVER, THESE CANCELLATIONS ARE ALSO REPRESENTATIVE OF THE REORDERING OF PRIORITIES WITHIN THE RDAF CAUSED BY THE F-16.

8. THE ROYAL DANISH NAVY IS ALSO STUDYING COST-SAVING ALTER-

NATIVES TO ASSIST IN THE F-16 PROCUREMENT. THESE PROGRAMS INCLUDE RESTUDY OF ECM SUITS FOR FRIGATES, FPB'S AND CORVETTES. THE ROYAL DANISH NAVY HAS BEEN FORCED TO CANCEL SCHEDULED FROGMAN CORPS TRAINING WITH THE U.S. SEAL TEAM IN 1977.

9. IN SUMMARY, DANISH DEFENSE STAFF PLANNERS HAVE BEEN GIVEN SPECIFIC GUIDANCE TO RE-EVALUATE DEFENSE PRIORITIES ACROSS THE BOARD IN PREPARATION FOR THE PAYMENT FOR THE F-16. CANCELLATION OR "DEFERRAL" OF SOME OF THESE PRIORITIES ARE BEING SWALLOWED RATHER HARD BY THE OTHER SERVICES. THE QUESTION FOR GENERAL BLIXENKRONE-MOLLER NOW IS HOW TO KEEP THE OTHER SERVICES IN AN ACCEPTABLE MILITARY POSTURE WHILE STILL PAYING FOR THE F-16 AND REPEAT AND ABSORBING BUDGET CUTS AT THE SAME TIME.

10. IN LIGHT OF THE DIFFICULTY PRESENTLY ENCOUNTERED IN THE DELICATE DEFENSE AGREEMENT NEGOTIATIONS (REFTEL), GENERAL BLIXENKRONE-MOLLER SEEMED GENUINELY CONCERNED ABOUT FUTURE FORCE CAPABILITIES AND THE PROSPECT OF PRESENTING THE FOLKETING
SECRET

SECRET

PAGE 04 COPENH 04812 221647Z

WITH A HIGHER BILL FOR THE F-16. NEITHER ALTERNATIVE IS PALATABLE. HIS SMALL BUT EFFICIENT STAFF CONTINUES A VIGOROUS RE-ORDERING OF PRIORITIES IN ORDER TO PAY FOR THE F-16. THE NEXT TWO MONTHS, DURING WHICH THE DANES WILL SCRUPULOUSLY STUDY THE F-16 LETTER OF OFFER FROM THE USA, WILL BE A TRYING TIME FOR THE DANISH CHIEF OF DEFENSE.
DEAN

SECRET

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY BUDGET, DIPLOMATIC DISCUSSIONS, MILITARY AGREEMENTS, DEBT REPAYMENTS, MILITARY SALES, AIRCRAFT SALES, F-16
Control Number: n/a
Copy: SINGLE
Draft Date: 22 DEC 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976COPENH04812
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760470-0392
From: COPENHAGEN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761221/aaaaasdo.tel
Line Count: 146
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: SECRET
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: LIMDIS
Reference: 76 COPENHAGEN 4754
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 07 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 APR 2004 by ellisoob>; APPROVED <04 AUG 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DANISH DEFENSE SPENDING AND THE F-16
TAGS: MILI, MPOL, MORG, MMOL, MASS, DA, US
To: STATE NATO BRUSSELS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006